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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Policies and Rules Implementing the) CC Docket No. 93-22
Telephone Disclosure and Dispute)
Resolution Act)

GTE's REPLY COMMENTS

GTE Service Corporation and its affiliated telephone operating companies ("GTE"), with respect to the Order on Reconsideration and Further Notice of Proposed Rulemaking, FCC 94-200 (released August 31, 1994) (the "*Recon Order*" and "*Further Notice*") and comments filed with regard thereto, offer the following reply comments.

DISCUSSION

I. There is broad support for the Commission's program.

The filed comments reflect broad support for the FCC's program of action reflected in the rule changes implemented by the *Recon Order* and proposed by the *Further Notice*. Among the Local Exchange Carriers ("LECs" or "exchange carriers") in support of this program are GTE and Bell Atlantic. There is especially strong support from parties focused on the impact of abuses, such as the California parties, the Minnesota Office of Attorney General, Consumer Action, National Association of Consumer Agency Administrators and the National Association of Attorneys General Telecommunications Subcommittee. Thoughtful comments and suggestions offered by such parties as AT&T, Ameritech, Southwestern Bell and United States Telephone Association ("USTA") merit careful consideration.

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II. GTE suggests ways to make the Commission's program more effective.

A broad consensus of submissions recognizes that abusive behavior by a small number of Information Providers ("IPs") represents the core of the problem. The most effective solution places clear responsibility on the IPs. To accomplish this completely, there is a need for further legislation that would in particular identify a more active and effective role for the Federal Trade Commission ("FTC"), working in conjunction with the FCC, for more effective deterrents to IP abuses. GTE suggests *infra* a way to accomplish these two interrelated purposes.

Among carriers, regulation should place primary responsibility on the carriers in closest contact with potentially troublesome IPs. Existing 64.1510(a) takes the best approach in that, among carriers, it places primary responsibility on the Interexchange Carriers ("IXCs").

As for exchange carriers, regulation should recognize that, by the nature of their business, LECs are complete strangers to the essential transaction at issue here. Neither justice nor practicality would be served by seeking to make exchange carriers responsible for matters of which they have little knowledge and over which they have no control.¹

GTE does not oppose Section 64.1510(b) inasmuch as GTE is not subject to its obligations because: (i) GTE does not offer billing and collection services to entities providing interstate information services; and (ii) in line with its long-standing policy, GTE accepts for billing and collection purposes only Pay-Per-Call charges narrowly

¹ See Southwestern Bell at 7-9; the Pennsylvania parties at 8; SNET at 4-6; and Rochester at 1-2.

defined² and only for such calls via 900 dialing. Thus, GTE does not knowingly accept charges for any information service that falls outside the statutory definition. GTE urges the FCC to make no change in this aspect of proposed Section 64.1510(b).

If proposed Section 64.1510(b) were changed so the obligations of proposed Section 64.1510(b)(1) applied to GTE, it would raise grave problems. Compliance with the section's evident intent would be economically and practically infeasible for GTE. A step in the direction of making such compliance feasible would be to adopt a certification procedure³ whereby an exchange carrier would be entitled to rely on an IXC's assurances that an executed contract between every IP covered by submitted billing data and every customer being billed is in the possession of the IXC and can be produced on request for scrutiny by the FCC, by the FTC, or by state authorities. Such a step should be linked with the FCC's clear expression of intent to hold the IXC responsible for false or unfounded certifications.

With regard to IXCs, GTE's comments recommend that the FCC adopt a regulatory requirement for integrity of billing data submitted by IXCs to LECs. This

² In this pleading, GTE employs "PPC" to **include** *Collect Services* and *Presubscription Services*, as defined by the FCC. GTE employs "Pay-Per-Call" to **exclude** *Collect Services* and *Presubscription Services*.

³ See *Ameritech* at 1-2; *Bell Atlantic* at 2; *BellSouth* at 11; *USTA* at 3; *AT&T* at 13.

could be accomplished by a modification of Section 64.1510(a).⁴ Essentially, this means IXCs would be obliged by the rule to avoid submitting deceptive or fraudulent billing data since such submissions may put the exchange carrier in the position of unknowingly billing for invalid items. Adoption of this modification would permit LECs to monitor the nature of charges and to enforce a decision to exclude from billing and collection various kinds of items.

With regard to IPs – which are outside the FCC's jurisdiction – we should recall that dealing with deception or fraud comes within the general competence of the FTC. GTE suggests that the FCC recommend legislation that would apply to IPs essentially the same requirement just discussed – integrity of billing data. This action would provide IXCs (and indirectly LECs) with an independent basis for contract termination in cases of deceptive behavior by IPs.

GTE submits that integrity of billing data is the keystone of the whole process. Government would be playing a most constructive role if it required IXCs and IPs to behave with due respect for this integrity.

In summary: GTE supports the FCC's action, and suggests the agency's program would be more effective if it made integrity of billing data a regulatory

⁴ GTE recommends adopting a new Section 64.1510(a)(2) reading as follows: "Ensure the integrity of charges submitted for billing and collection by another carrier by correctly identifying the nature of such charges with particular reference to these categories: (i) Pay-Per-Call charges; (ii) charges for directory services provided by a common carrier or its affiliate or by a local exchange carrier or its affiliate; (iii) information services provided to subscribers on a collect basis; (iv) any service for which users are assessed charges only after entering into a presubscription or comparable agreement; (v) toll charges." Existing Section 64.1510(a)(2) would become 64.1510(a)(3).

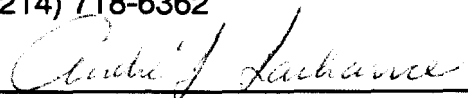
requirement for IXCs and recommended legislation that would make integrity of billing data a requirement for IPs.

Respectfully submitted,

GTE Service Corporation and its affiliated
domestic telephone operating companies

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October 31, 1994

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Certificate of Service

I, Judy R. Quinlan, hereby certify that copies of the foregoing "GTE's Reply Comments" have been mailed by first class United States mail, postage prepaid, on the 31st day of October, 1994 to all parties of record.



Judy R. Quinlan